



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/769,121	01/24/2001	Preston H. Abbott	17243-00020	5556

7590 05/21/2007  
John S. Beulick  
Armstrong Teasdale LLP  
One Metropolitan Square, Suite 2600  
St. Louis, MO 63102-2740

EXAMINER
----------

SUBRAMANIAN, NARAYANSWAMY

ART UNIT	PAPER NUMBER
----------	--------------

3692

MAIL DATE	DELIVERY MODE
-----------	---------------

05/21/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

**Office Action Summary**

Application No.

09/769,121

Applicant(s)

ABBOTT ET AL.

Examiner

Narayanswamy Subramanian

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 21 February 2007.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 27-52 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 27-52 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. This office action is in response to applicants' communication filed on February 21, 2007. Cancellation of claims 1-26 and addition of claims 50-52 have been entered. Claims 27-52 are currently pending and have been examined. The rejections and response to arguments are stated below.

#### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

3. Claims 27-52 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The preamble of claim 50 recites "a system for executing and financing transactions of goods for a parent company through a wholly owned financing subsidiary and a wholly owned trading subsidiary". However it is not clear from the body of the claims as to how this objective is achieved. The last limitation of this claim recites "enable the financing subsidiary to purchase from the trading subsidiary the accounts receivable through the financing subsidiary computer". However there is no guarantee that the purchase of accounts receivable actually takes place by implementing this feature of the system. The limitation "to provide financing to the trading subsidiary for the sale of additional goods" is interpreted as an intended use and not a positively recited limitation. Hence the scope of the claim is not clear. Claims 27-51 are rejected by dependency on claim 50. Appropriate clarification/correction is required.

Claim 50 also recites the limitations “prompt a user to approve”, “prompt the seller to assign all rights”, and “prompt the trading subsidiary to sell accounts receivable”. It is not clear as to what the outcomes of these limitations are. Prompting a user to approve does not necessarily result in an approval by the user. Prompting the seller to assign all rights does not necessarily result in assignation of rights. Similarly prompting the trading subsidiary to sell accounts receivable does not necessarily result in a sale of the accounts receivable by the trading subsidiary. These ambiguities render the scope of the claim indeterminate. Similarly it is not clear as to what are the metes and bounds of the limitation “enable the financing subsidiary to purchase”. Hence the scope the claim is indeterminate. Appropriate clarification/correction is required. Similar ambiguities are also present in some of the dependent claims. The dependent claims 27-51 are rejected for the same reason and by way of dependency on a rejected independent claim. Applicant is requested to check for similar deficiencies in other claims and make appropriate clarification/correction in their response to this office action.

The art rejections given below are interpreted in light of the 35 USC 112 rejections discussed above.

#### **Claim Rejections - 35 USC § 101**

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 27-52 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

Claim 50 is drawn to "a system for executing and financing transactions of goods for a parent company through a wholly owned financing subsidiary and a wholly owned trading subsidiary, wherein the financing subsidiary and the trading subsidiary are wholly owned by the parent company". However it is not clear from the body of the claims as to how this objective is achieved. The last limitation of this claim recites "enable the financing subsidiary to purchase from the trading subsidiary the accounts receivable through the financing subsidiary computer". However there is no guarantee that the purchase of accounts receivable actually takes place by implementing this feature of the system. The limitation "to provide financing to the trading subsidiary for the sale of additional goods" is interpreted as an intended use and not a positively recited limitation. When this is viewed along with the other ambiguities identified in the 35 USC 112 rejections discussed above, it is not clear what concrete, real world result is produced by implementing the system. As such the claimed invention is directed to a judicial exception to 35 U.S.C. 101 (i.e., an abstract idea, natural phenomenon, or law of nature) and is not directed to a practical application of such judicial exception because the claims do not require any physical transformation and the invention as claimed does not produce a useful, concrete, and tangible result.

The Court of Appeals for the Federal Circuit issued opinions in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998) and *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447 (Fed. Cir. 1999).

These decisions explained that, to be eligible for patent protection, the claimed invention as a whole must accomplish a practical application. That is, it must produce a “useful, concrete and tangible result.” State Street, 149 F.3d at 1373-74, 47 USPQ2d at 1601 02. To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways: (a) The claimed invention “transforms” an article or physical object to a different state or thing. (b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

The USPTO’s official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. See MPEP § 2107.

The tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101 judicial exception to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had “no substantial practical application”). It is not clear as to what is the tangible result from implementing the claimed system.

For an invention to produce a “concrete” result, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. In re Swartz, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result produced by the claimed invention is “irreproducible” claim should be rejected under section 101). The opposite of “concrete” is unrepeatable or unpredictable. It is not clear if repeatedly performing the same steps will lead to the same result. In view of the ambiguities identified in the 35 USC 112 rejections discussed above, it is not clear what concrete, real world result is produced by implementing the system.

There is no useful, concrete and tangible result produced from implementing the steps of the claimed invention. The dependent claims 27-51 are rejected for the same reason and by way of dependency on a rejected independent claim.

Also applicant's claims mentioned above are intended to embrace or overlap two different statutory classes of invention as set forth in 35 § U.S.C. §101. The claim 50 begins by discussing a system (ex. Preamble of claim 50, a plurality of remote computers including a computer associated with the financing subsidiary, a computer associated with the trading subsidiary, a computer associated with a seller of goods and a computer associated with a buyer of goods; the database for storing data relating to a buying, selling and financing of the goods between the financing subsidiary, the trading subsidiary, the seller and the buyer; a server coupled to the database, the server connected through a network to the financing subsidiary computer, the trading subsidiary computer, the seller computer and the buyer computer), and then the body of the claim discusses the specifics of a method (“the buyer agreeing to pay the trading subsidiary for the ordered good pursuant to the buyer participation agreement stored within the database”, “the trading subsidiary pays the seller for the ordered good and requests that the seller ship the ordered good to the buyer pursuant to the seller participation agreement”). (See rejection of claims under 35 U.S.C. §112, second paragraph, for specific details regarding this issue). “A claim of this type is precluded by express language of 35 U.S.C. §101 which is drafted so as to set forth statutory the statutory classes of invention in the alternative only”, *Ex parte Lyell* (17USPQ2d 1548).

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 27-52 are rejected under 35 U.S.C. 103(a) as being unpatentable over Purcell (US Patent 5,940,807).

Claim 50, Purcell teaches a system comprising: a plurality of remote computers including a computer associated with the financing subsidiary, a computer associated with the trading subsidiary, a computer associated with a seller of goods and a computer associated with a buyer of goods (See Figure 1, Column 1 lines 35-45, Column 3 line 51 – Column 4 line 5, the buyer and seller computers are interpreted to include computers associated with various subsidiaries); the database for storing data relating to a buying, selling and financing of the goods between the financing subsidiary, the trading subsidiary, the seller and the buyer (See Column 4 line 51 – Column 5 line 25); a server coupled to the database, the server connected through a network to the financing subsidiary computer, the trading subsidiary computer, the seller computer and the buyer computer (See Figure 1), the server configured to: store within the database a seller participation agreement for the seller approved by the trading subsidiary, and a buyer participation agreement for the buyer approved by the trading subsidiary (See Figure 1, Column 1 lines 35-45, Column 3 line 51 – Column 4 line 5, the written documentation for placing and filling orders is interpreted to include these agreements); receive an order submitted through the



Art Unit: 3692

buyer computer from the buyer for purchasing a good offered for sale by the seller (See Column 4 lines 5-65); and prompt a user to perform various functions entered by the user (See Column 38 line 56 – Column 9 line 21). Purcell does not explicitly teach the features of the buyer agreeing to pay the trading subsidiary for the ordered good pursuant to the buyer participation agreement stored within the database; prompt a user associated with the trading subsidiary to approve a seller and a buyer for participation within the system; prompt the seller through the seller computer to assign all rights in the ordered good to the trading subsidiary pursuant to the seller participation agreement stored within the database, the trading subsidiary pays the seller for the ordered good and requests that the seller ship the ordered good to the buyer pursuant to the seller participation agreement; prompt the trading subsidiary through the trading subsidiary computer to sell accounts receivable relating to the purchasing of the ordered good by the buyer; and enable the financing subsidiary to purchase from the trading subsidiary the accounts receivable through the financing subsidiary computer to provide financing to the trading subsidiary for the sale of additional goods. However as discussed in the 35 USC 112, second paragraph rejection above it is not clear what the outcomes of these limitations are. These are interpreted as intended use of the system and hence not given patentable weight. Purcell's system has the structure and capability for performing this intended use.

Claims 47-49, Purcell teaches the features wherein the server is further configured to allow a user to input data via the Internet (See Column 4 lines 40-46); to receive user data via an Intranet (old and well known) and network is one of a wide area network and a local area network (See Column 4 lines 40-46, Internet is an example of WAN).

Claims 26-29, Purcell does not explicitly teach the features in these claims. Official notice is taken that these features are old and well known in the art. For instance GM has GMAC for financing and another sub-division for sales. These features provide for a smooth and efficient means for completing the transaction.

Claims 30-46, Purcell teaches the feature of the server further configured to accept input from sellers or buyers (See Column 6 line 52- Column 7 line 35). The limitations such as “a seller agreeing to assign all rights in a shipment to the trading subsidiary” or “buyers agreeing to pay the purchase price to the trading subsidiary for orders within an agreed upon time period by a method and at a place previously agreed to” are interpreted as non-functional descriptive material because they describe the buyers and sellers. These limitations have no bearing on the server configuration to accept input from sellers or buyers.

### ***Response to Arguments***

8. In response to applicant’s arguments “Specifically, Purcell does not describe or suggest a system configured to store within a database a seller participation agreement for a seller approved by a trading subsidiary, and a buyer participation agreement for a buyer approved by the trading subsidiary, and enable a financing subsidiary to purchase from the trading subsidiary accounts receivable through the financing subsidiary computer to provide financing to the trading subsidiary for the sale of additional goods”, the examiner respectfully disagrees. The system of Purcell has the capability to store participation agreements (as discussed above) and enable a purchase transaction (as discussed above). The limitations such as “a seller participation agreement for a seller approved by a trading subsidiary, and a buyer participation agreement for a buyer approved by the trading subsidiary” are interpreted as non-functional descriptive material

because they do not affect the storing function or the other capabilities of the system. Limitation such as to provide financing to the trading subsidiary for the sale of additional goods are interpreted as intended use limitation. Both non-functional descriptive material and intended use limitation are not given patentable weight. Purcell's system has the structure and capability for performing this intended use.

Applicant's other arguments with respect to pending claims have been considered but are not persuasive.

### **Conclusion**

9. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to

Art Unit: 3692

7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew J. Fischer can be reached at (571) 272-6779. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

A handwritten signature in black ink, appearing to read "N. Sub", with a long horizontal stroke extending to the right.

Dr. N. Subramanian  
Primary Examiner  
Art Unit 3692

May 14, 2007